NATIONAL ADMINISTRATIVE REGISTER · AUGUST 7, 1992

APPROVAL OF FACULTATIVE REINSURANCE PLACEMENTS ABROAD

IC CIRCULAR LETTER NO. 19/92 CL, August 07, 1992

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The following revised rules and regulations governing approval of application for facultative reinsurance abroad, are hereby promulgated:

I

The application form should contain the information as enumerated in the attached format.

II

The following documents should be filed together with the application:

1. Copy of the policy.

2. List of accepting companies showing their shares in terms of absolute amounts and percentage participation.

3. List of reinsurers showing respective shares (amounts and percentage) in case of placements through brokers.

4. List of declining companies together with supporting letters of declinations containing an explanation for their non-participation.

III

Subject risk for which facultative reinsurance placement is applied for should first be offered locally as follows:

1. For Marine Hull, Aviation, and Money Securities Payroll and Robbery risks, to at least five (5) local writing companies, two (2) foreign authorized, two (2) domestic professional reinsurers.

2. For all other risks, to at least ten (10) local direct writing companies, three (3) foreign authorized and two (2) domestic professional reinsurers.

IV

Conformably with the provisions of Section 4 of P.D. 1270, non-life companies shall cede to the National Reinsurance Corporation of the Philippines at least ten percent (10%) of their outward reinsurance placed with unauthorized foreign reinsurers.

V

In relation to declinations (No. II-4 above), all companies should submit to this Commission the names and specimen signatures of their respective underwriters duly authorized to sign letters of declination.

This Circular Letter supersedes all others issued in connection with the aforementioned subject and shall take effect immediately.

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Adopted: 7 Aug. 1992

(SGD.) ADELITA A. VERGEL DE DIOS
Insurance Commissioner

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